

Senate Study Bill 1165 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
HUMAN RESOURCES BILL BY
CHAIRPERSON SEGEBART)

A BILL FOR

1 An Act relating to requirements for prior authorization for
2 services and prescription drugs provided under Medicaid
3 managed care contracts.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. DEPARTMENT OF HUMAN SERVICES — PRIOR
2 AUTHORIZATION REQUIREMENTS UNDER MEDICAID MANAGED CARE
3 CONTRACTS.

4 1. The department of human services shall adopt rules
5 pursuant to chapter 17A to provide all of the following
6 relative to requirements for prior authorization of
7 prescription drugs and services under a Medicaid managed care
8 contract:

9 a. Approval from the Medicaid managed care organization
10 shall be received by the provider submitting the prior
11 authorization request for a prescription drug or service within
12 the following periods, as applicable:

13 (1) For urgent claims, within a period not to exceed
14 seventy-two hours from the time the Medicaid managed care
15 organization receives the request.

16 (2) For nonurgent claims, within a period not to exceed
17 five days from the time the Medicaid managed care organization
18 receives the request.

19 b. Emergency claims for prescription drugs or services
20 shall not require prior authorization by a Medicaid managed
21 care organization.

22 c. If approval is received by a provider from a Medicaid
23 managed care organization for a prior authorization request for
24 a prescription drug or service for a patient who is in stable
25 condition as verified by the provider, the approved prior
26 authorization shall be valid for a period of twelve months from
27 the date the approval is received by the provider.

28 d. Any change by a Medicaid managed care organization in a
29 requirement for prior authorization for a prescription drug or
30 service shall be preceded by the provision of sixty days prior
31 notice to all affected providers before the effective date of
32 the change.

33 2. The department of human services shall require any
34 Medicaid managed care organization under contract with
35 the state to jointly develop and utilize the same prior

1 authorization review process, including but not limited to
2 shared electronic and paper forms, subject to final review and
3 approval by the department.

4 EXPLANATION

5 The inclusion of this explanation does not constitute agreement with
6 the explanation's substance by the members of the general assembly.

7 This bill relates to prior authorization requirements under
8 Medicaid managed care contracts.

9 The bill directs the department of human services (DHS)
10 to adopt rules to provide all of the following relative to
11 requirements for prior authorization of prescription drugs and
12 services under a Medicaid managed care contract: (1) Approval
13 from the managed care organization (MCO) shall be received
14 by the provider submitting the prior authorization request
15 for a prescription drug or service within a period not to
16 exceed 72 hours from the time the MCO receives the request for
17 urgent claims and within a period not to exceed five days for
18 nonurgent claims; (2) No requirement for prior authorization
19 from an MCO for emergency claims for prescription drugs or
20 services; (3) Once approval is received by a provider for a
21 prior authorization request for a prescription drug or service
22 for a patient who is in stable condition as verified by the
23 provider, the approved prior authorization shall be valid for a
24 period of 12 months; (4) Any change by an MCO in a requirement
25 for prior authorization for a prescription drug or service
26 shall be preceded by 60 days prior notice to all affected
27 providers before the effective date of the change. The bill
28 also requires DHS to require any Medicaid MCO under contract
29 with the state to jointly develop and utilize the same prior
30 authorization review process, including but not limited to
31 shared electronic and paper forms, subject to final review and
32 approval by DHS.